



6A - ABI Health Care Summit, Terry McInnis, MD, MPH

Terry A. McInnis, MD, MPH
Medical Director- Health
Management Innovations
July 25th, 2007

Agenda

- The Healthcare Landscape
- What the Studies are Telling Us
- Innovative Government and Employer Interventions
- Benefit Design- How do we Align Incentives?
- Next Steps- Designing Benefits for the 21st century to Engage the Patient

Americans with chronic disease 133 million in 2005



**Percent having
one or more
chronic
diseases:**

- **69% elderly**
- **50% middle aged**
- **25%+ young adult**

1. Rundall T, et al. As good as it gets? Chronic care management in nine leading U.S. physician organizations. *BMJ* 2002;325:958-961. 2. Anderson G, Knickman J. Changing the chronic care system to meet people's needs. *Health Aff.* 2001; 20 (6): 146-160; Hoffman, C., Rice, D. & Sung, H., Persons with chronic conditions: their prevalence and costs. *JAMA*. 1996; 276 (18): 1473-1479.

Cost of chronic disease to America



**Total US
healthcare
spend in 2005
= \$2.0 trillion
...or \$6,697
per person**

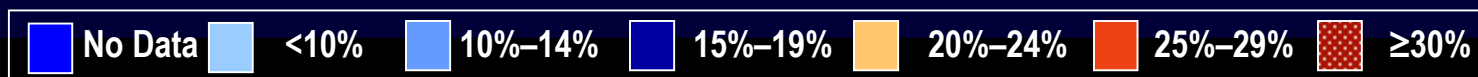
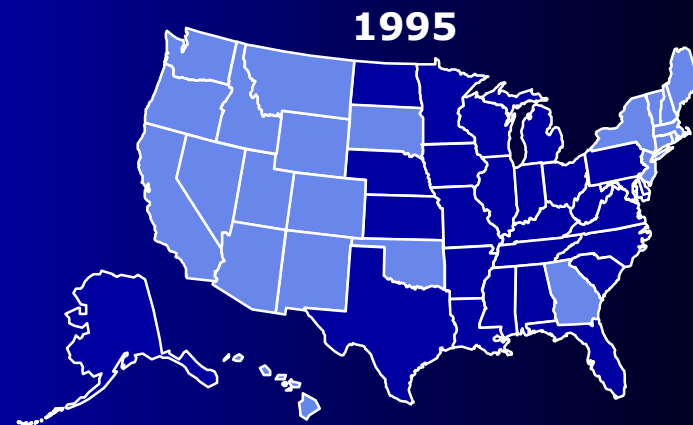
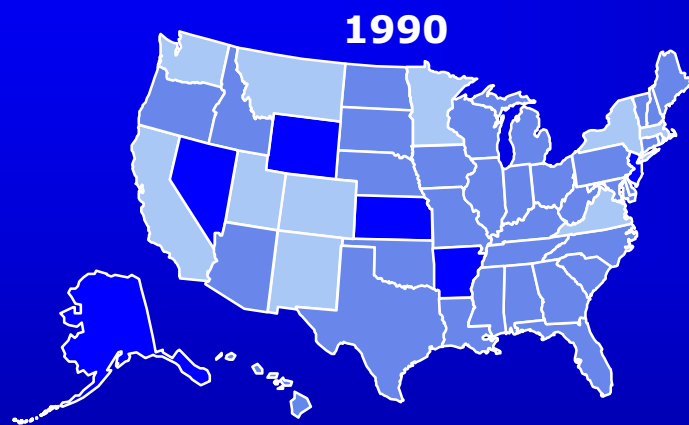
1. Rundall T, et al. As good as it gets? Chronic care management in nine leading U.S. physician organizations. *BMJ* 2002;325:958-961.

2. Centers for Medicare and Medicaid Services-viewed April 2007
http://www.cms.hhs.gov/NationalHealthExpendData/02_NationalHealthAccountsHistorical.asp#TopOfPage

Obesity Trends* Among U.S. Adults

BRFSS, 1990, 1995, 2005

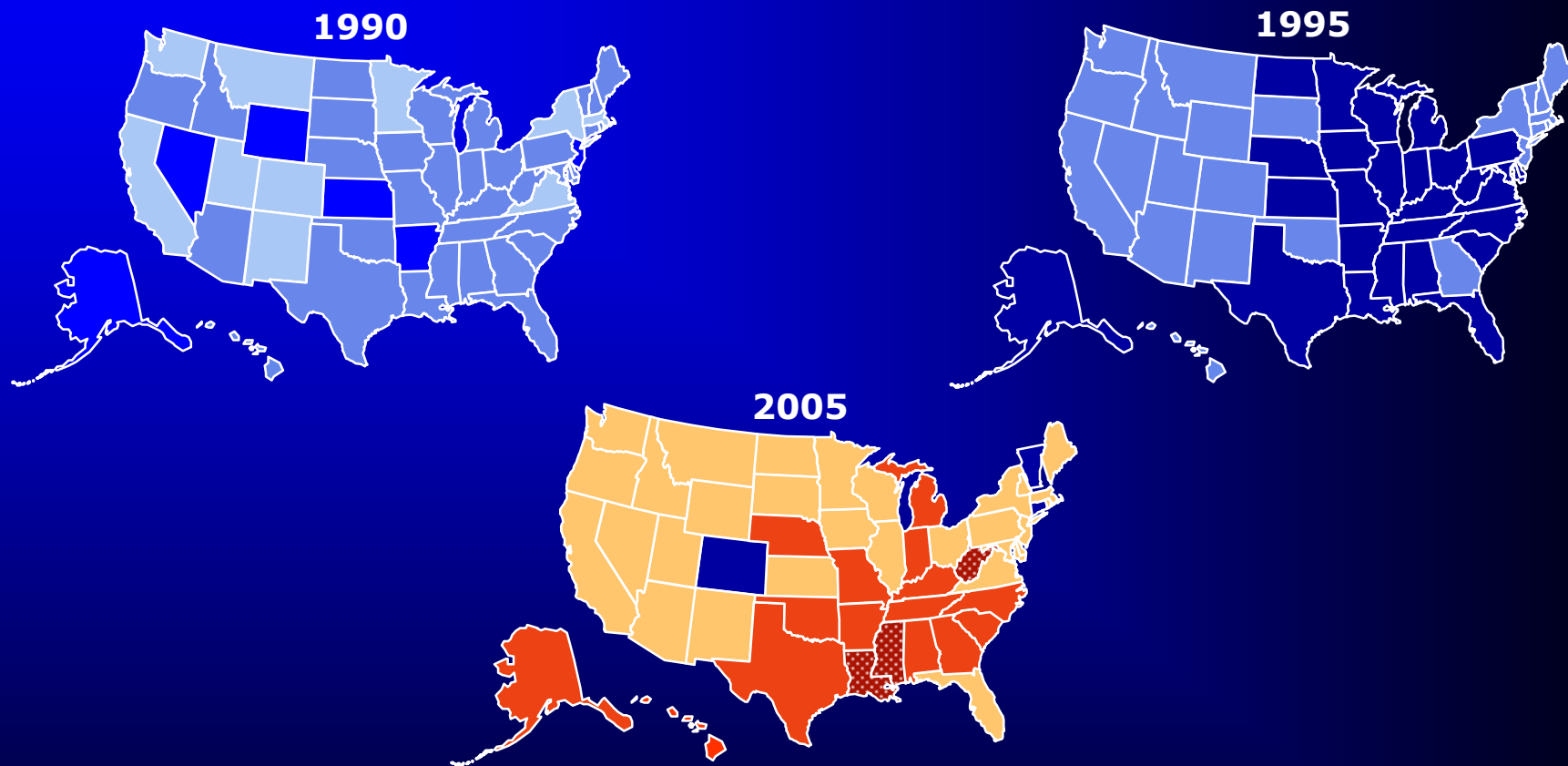
(*BMI ≥ 30 , or about 30 lbs overweight for 5'4" person)



Obesity Trends* Among U.S. Adults

BRFSS, 1990, 1995, 2005

(*BMI ≥ 30 , or about 30 lbs overweight for 5'4" person)



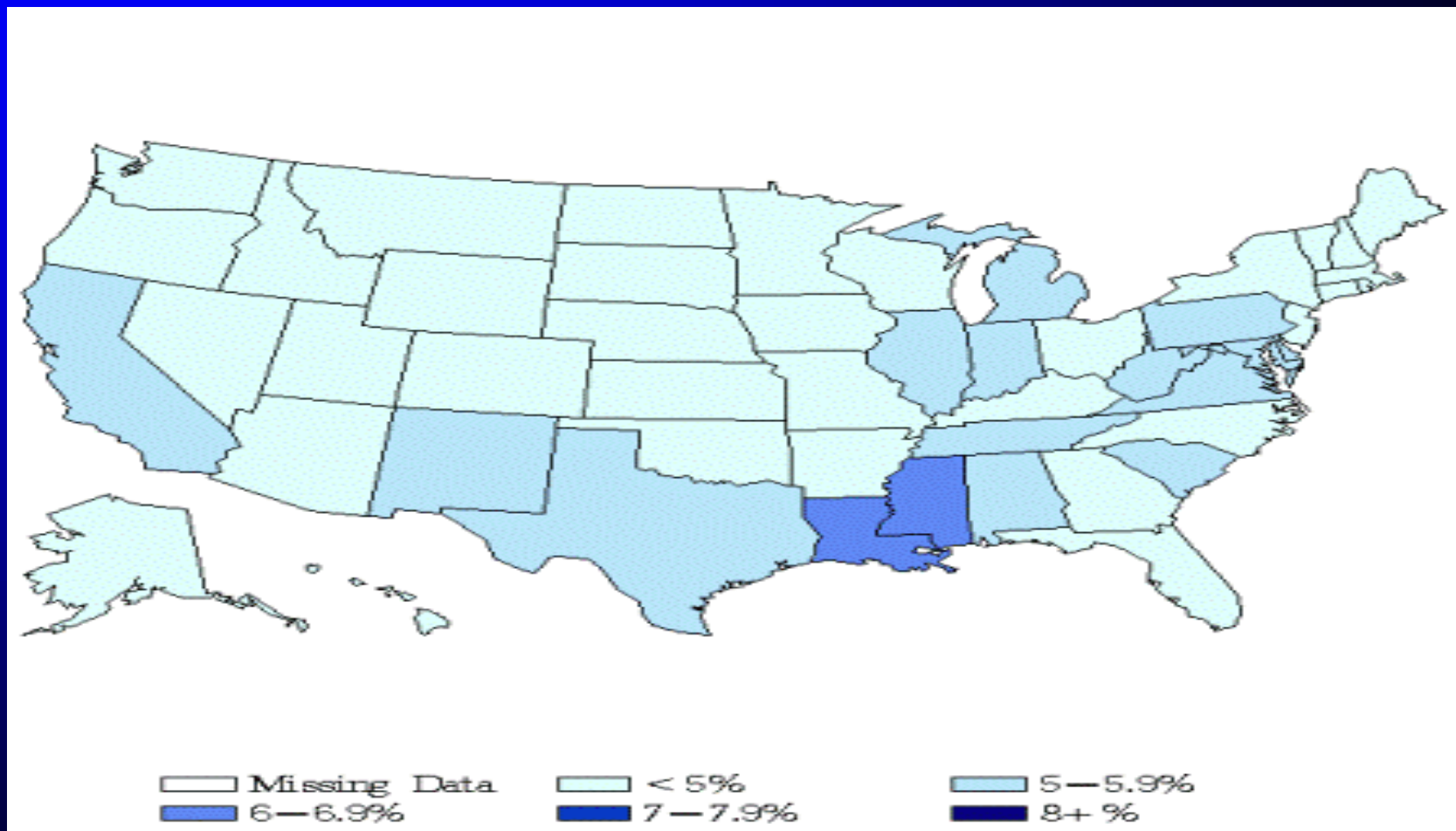
Iowa Obesity Rates have More Than Doubled since 1990



62.9% of Iowa Adults are Overweight or Obese

The storm of diabetes is brewing

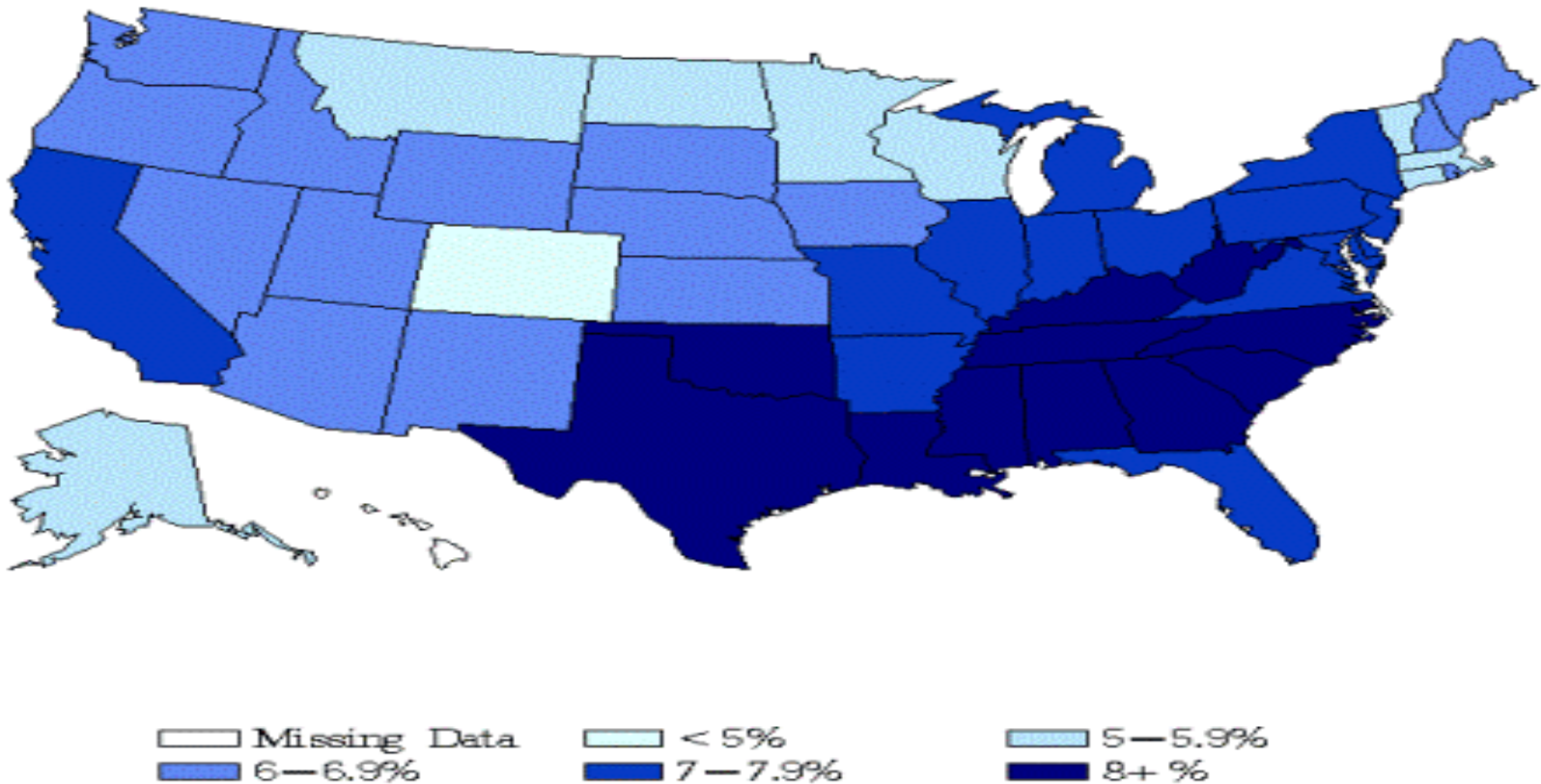
Diagnosed Diabetes Among Adults Trends 1995



Source: CDC, "National Diabetes Surveillance System"

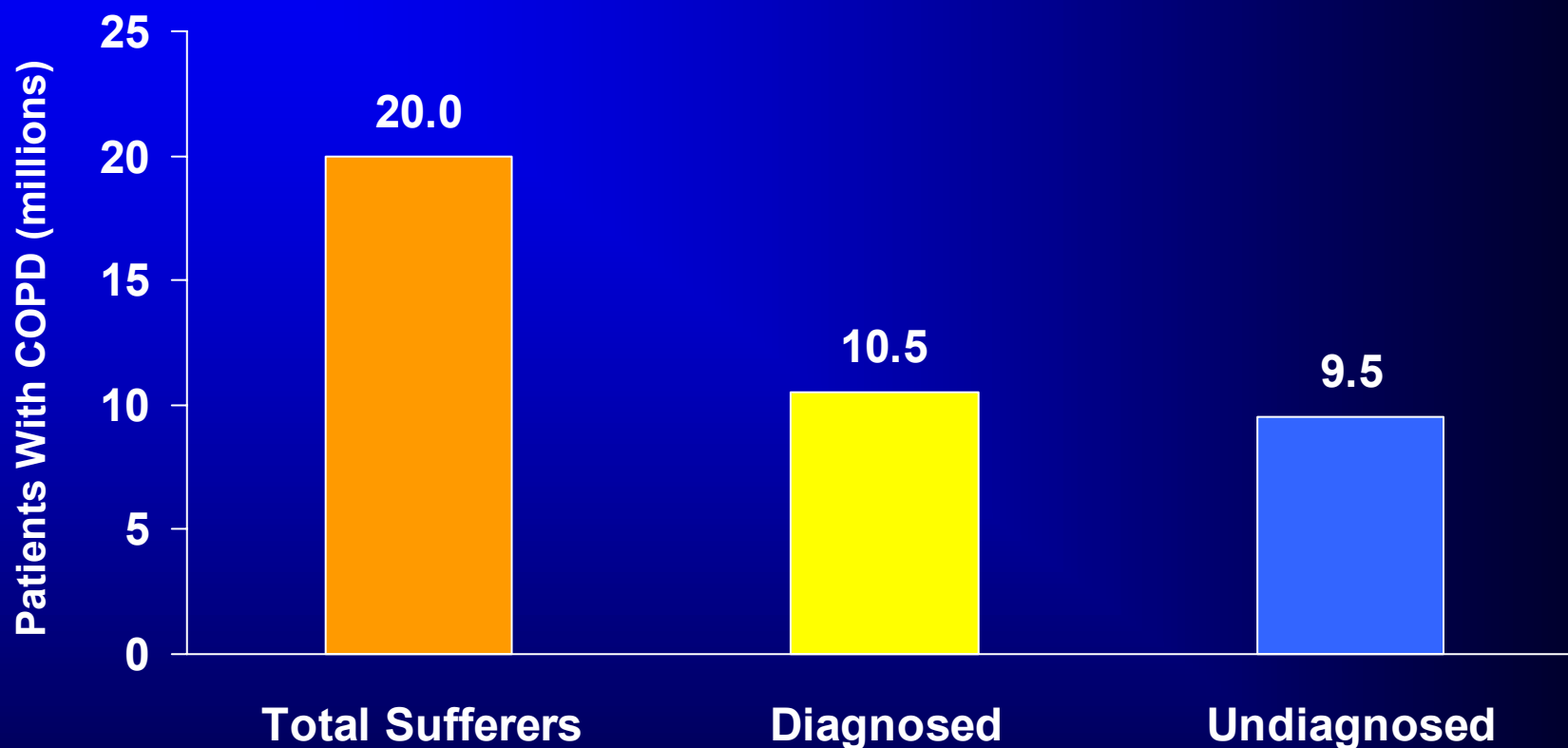
The storm of diabetes is brewing

Diagnosed Diabetes Among Adults Trends 2005



Source: CDC, "National Diabetes Surveillance System"

Prevalence of COPD in the US

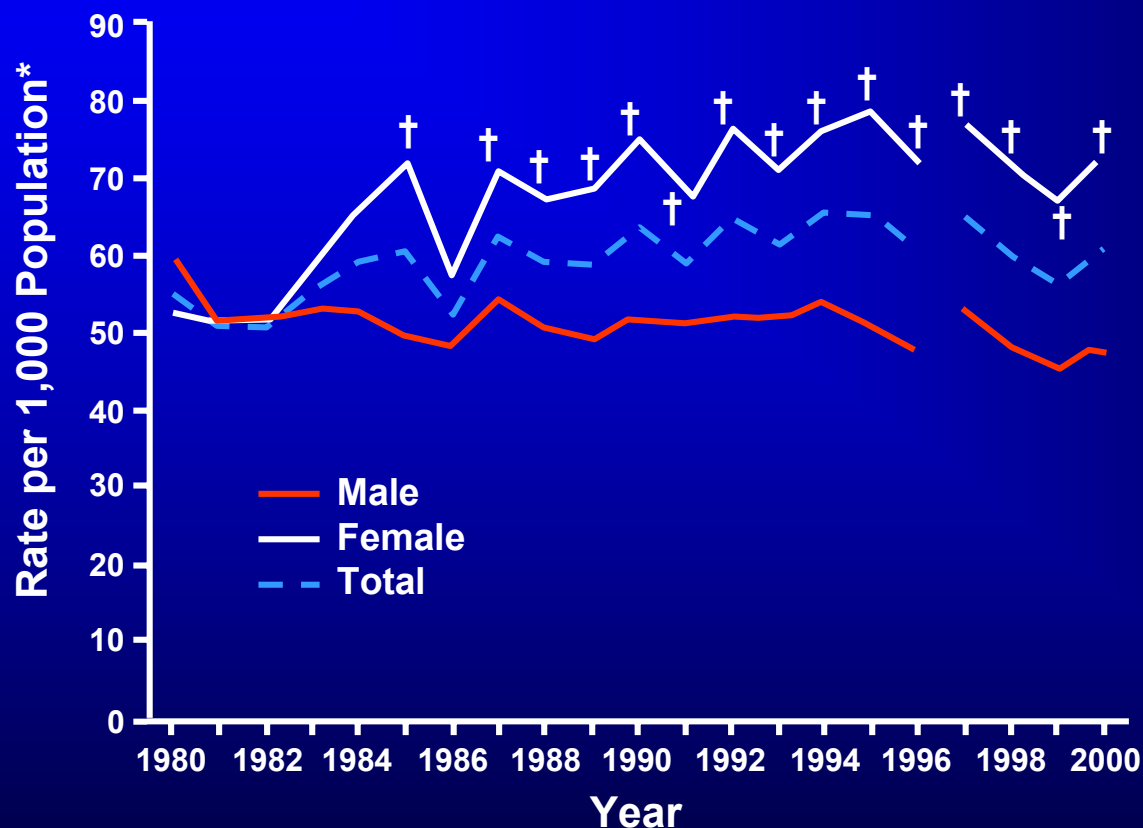


Of patients who have been diagnosed, research shows that nearly 40% are not being treated with prescription medications.

Mannino DM et al. *MMWR*. 2002;51(SS-6):1-16.

Confronting COPD in America. Available at: <http://www.copdinamerica.com>. Accessed March 1, 2006.

Prevalence of COPD in the US



Since 1987, the prevalence of COPD among women has been significantly higher than that among men

* Age-adjusted to 2000 US population.

† Represents a statistically significant difference from rate among males.

Mannino DM et al. *MMWR*. 2002;51(SS-6):1-16.

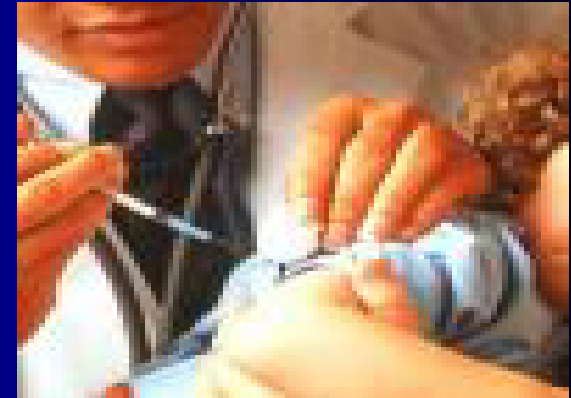
Chronic Obstructive Airway Disease- Preventable and Treatable, but deadly

- 346 deaths per day from COPD
- 203 deaths per day from diabetes
- 115 deaths per day from breast cancer

Sound solutions to rising costs



Prevention



Intervention



Innovation



Sound solutions under way ...

- Iowa

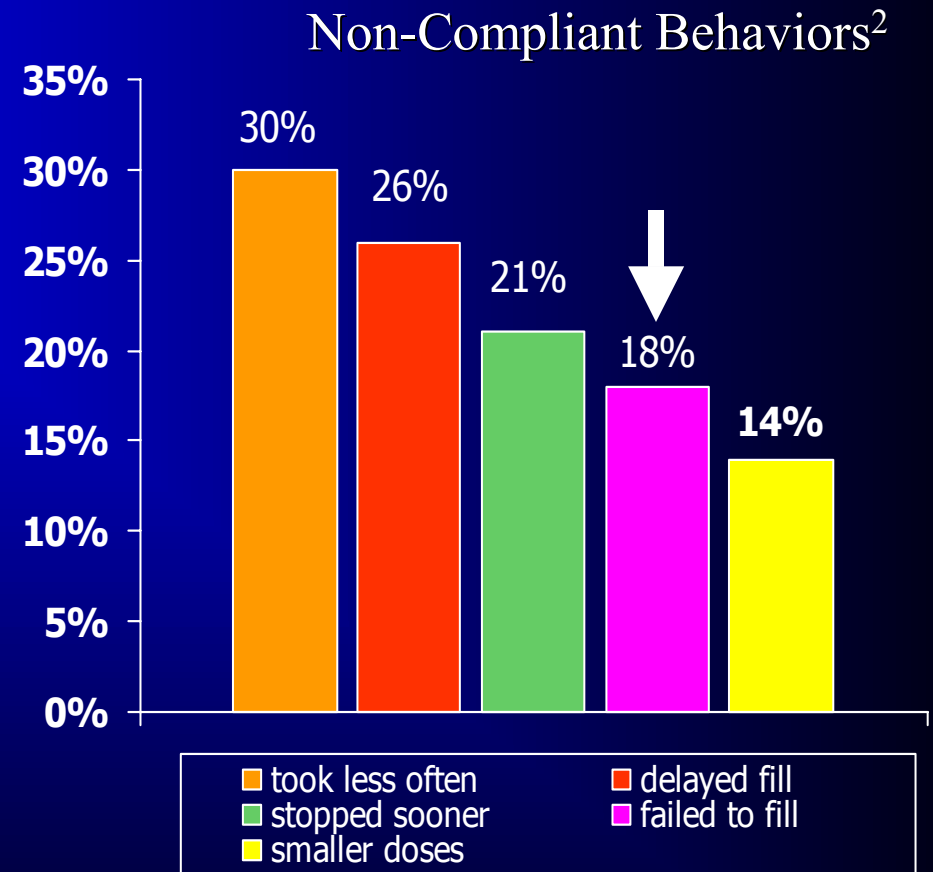
- Health Education must be taught at each grade level in elementary and middle school to receive accreditation¹
- The Iowa Youth Tobacco Survey found that the percent of high school students who use tobacco has decreased from 39% in 2000 to 34% in 2002. ²
- Over 7,000 Iowa teens have become members of the youth anti-tobacco movement "Just Eliminate Lies" (JEL) since its creation in 2000. ²

1 <http://www.healthystates.csg.org/NR/rdonlyres/AE89BB4A-052F-4F78-BA48-2C843DA1DA49/0/HealthEducation.xls>
2 http://www.idph.state.ia.us/common/pdf/healthy_iowans_2010/HI2010_ontrack.pdf

HealthCare Landscape

65.7% of physician office visits generate a prescription medicine, with multiple drugs prescribed 39.5% of the time¹

But what happens to those prescriptions?



¹ Hing E. Cherry DK Woodwell DA,. National Ambulatory Medical Care Survey: 2003 Summary October 4th, 2005 #365 National Center for Health Statistics- CDC- <http://www.cdc.gov/nchs/data/ad/ad365.pdf>. Advance data from vital and health statistics; no 365. Hyattsville, Maryland; National Center for Health Statistics. 2005. ² The Hidden Epidemic: Finding a Cure for Unfilled Prescriptions and Missed Doses. December 2003. The Boston Consulting Group and Harris Interactive. Available at

Why Didn't They Take Their Medication?

- 10% difficulties in getting the prescription filled
- 14% decided they didn't need the drug
- 17% medication was too costly
- 20% undesirable or debilitating side effects
- 24% forgetfulness

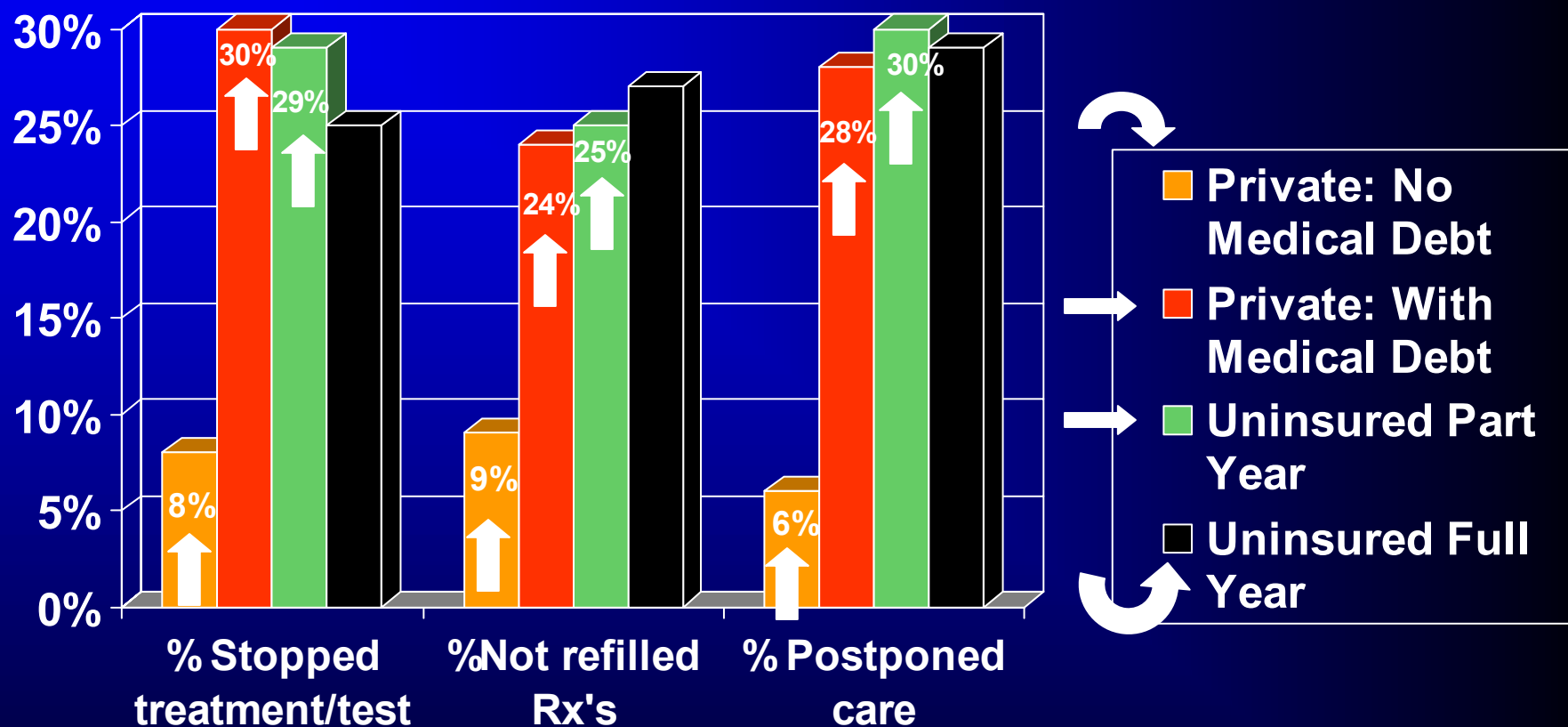
World Health Organization ¹

“Adherence to long-term therapy for Chronic Diseases in Developed Countries averages 50%”

“The Consequences of poor adherence to long-term therapies are poor health outcomes and increased health care costs”

1 World Health Organization. Adherence to Long-Term Therapies: Evidence for Action. [World Health Organization Web site]. 2003. Available at: http://www.who.int/chronic_conditions/en/adherence_report.pdf. Accessed May 20, 2005

HealthCare Landscape- Behaviors related to Medical Cost



Cost Sharing Is Increasing- The “Medically Underinsured”

- 1 in 6 or >17.6 million non-elderly privately insured individuals had substantial trouble paying their medical debt in 2003¹
 - Mostly middle class full time workers
 - Almost twice as likely to have a serious medical problem as those that do not have problems paying their medical bills (38% vs. 21%)
 - Twice as likely to report their health status as fair or poor
- Almost as many in this category as those without health insurance for a full year- 22.9 million

¹Kaiser Commission on Medicaid and the Uninsured- Medical Debt and Access to Health Care: Executive Summary – September 2005 <http://www.kff.org/uninsured/upload/7403ES.pdf> (Quote from Kaiser Family Foundation 2003 Health Insurance Survey)

Unintended Consequences

- 47% that postponed care stated that it caused a significant loss of time at work or other important life activities
- 53% said the problem caused a significant temporary disability that resulted in significant pain or suffering
- 1 in 6 (17%) said the unmet need resulted in a long-term disability

Medication Adherence and Total Health Costs

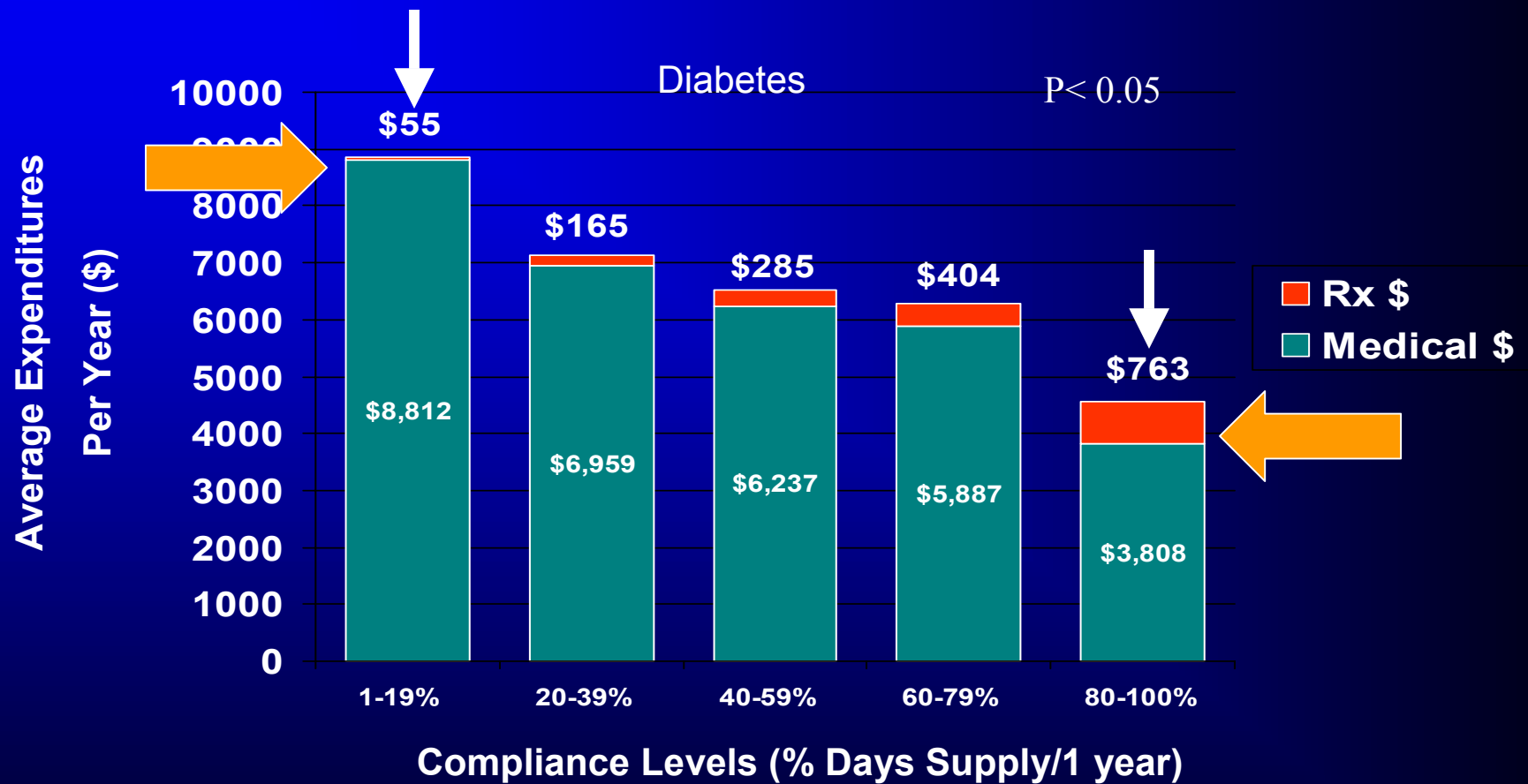
- Caremark™¹
 - Compliance and Persistency research in 19 chronic conditions-
 - Result- IN ALL 19 CONDITIONS STUDIED-
 - Plan participants with lower adherence scores had HIGHER TOTAL HEALTH CARE COSTS
- Medco™²
 - Diabetes study- Adherence and Total Health Costs
 - Result-
 - Plan participants with lower adherence had HIGHER TOTAL HEALTH CARE COSTS

1 NBGH Presentation- Christina Meyer, MHS- Manager Analytic Product Development- Caremark- presented at The Business Health Agenda 2005- 17 March 2005

2 Sokol M et al. Impact of Medication Adherence on Hospitalization Risk and Healthcare Cost. **Medical Care**. Volume 43, Number 6, June 2005



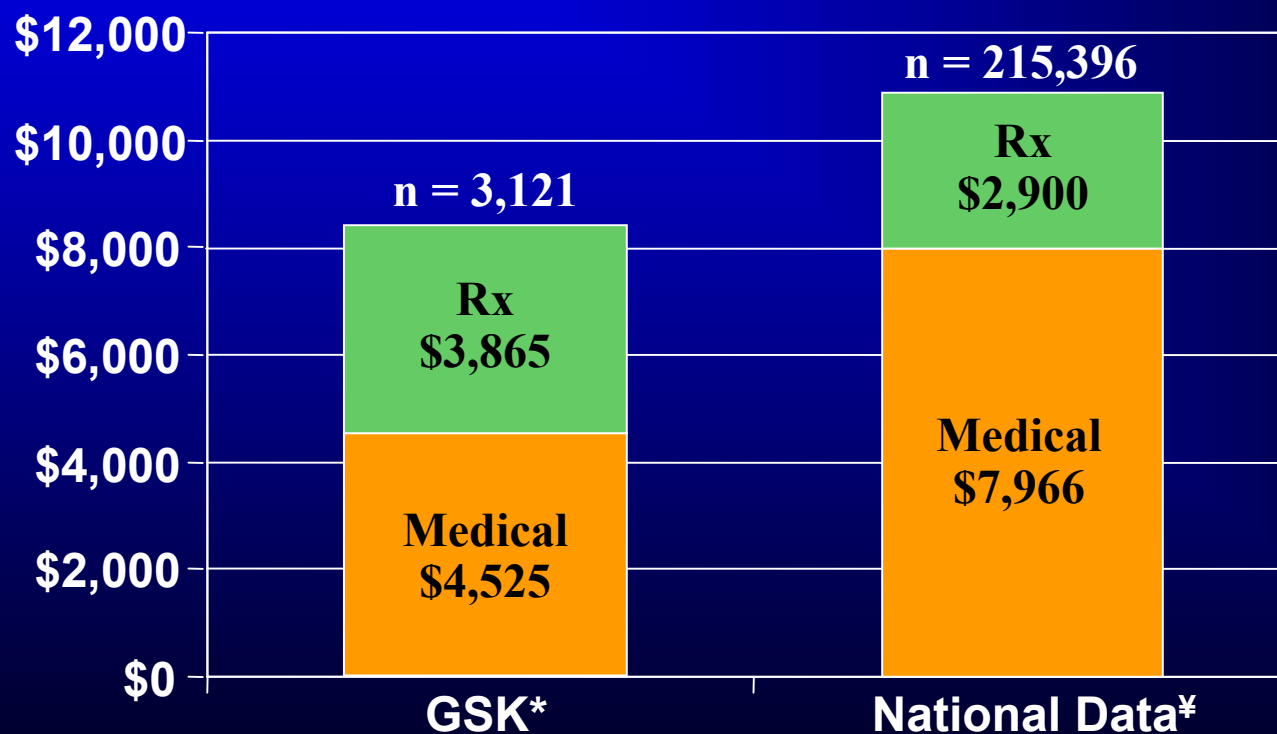
Improving medication compliance is a key driver in decreasing medical costs



GSK Cost of Diabetes in 2005

GSK spends proportionally more on medications but less overall as compared to national data even though GSK diabetes population is slightly older.

Total Cost of Diabetes Per Patient Per Year



*GSK data: claims data for employees/dependents and retiree/dependents

¥ National Data: claims data from National Managed Care Benchmark Database (IHCIS Waltham, Mass.)



Health Plans and Employers- Changing the Paradigm

- Polk County School Board, FL¹ (2002-present)
 - 11,000 employees, nearly 18,000 covered lives, largest employer in the county
 - Self-funded, uses BCBS of FL as their medical ASO
 - Identified diabetes as a primary driver in escalating medical costs
 - Partnered with providers, pharmacists, and the PBM with the leadership of a dedicated Wellness Team

Health Plans and Employers- Changing the Paradigm

- Polk County School Board, FL¹ (2002-present)
 - Initiated a comprehensive Diabetes Disease Management Program
 - participants must keep required appointments
 - required medical and dietary education and self-monitoring
 - Incentives for participation included a 50% reduction in established co-pays for diabetic medications and waived fees for selected interventions/visits.

\$500 savings/participant in 2003-04 versus prior year

Health plans and employers

Changing the paradigm

- **Baptist Health South, FL**
 - Emphasizes fitness, good diet, weight management, screenings and smoking cessation for 11,000 employees
 - Healthy, balanced “advantage meals” offered each day for \$3 in employee cafeteria
 - Some chronic disease medications available for a \$5 co-pay from internal pharmacy - projected to dispense 20,000 scripts this year

Wellness initiatives saved est. \$1.9 million in 2004

Changing the Paradigm

- The Asheville Project- lower costs in exchange for patient engagement and accountability
- Pitney Bowes- making medications affordable to lower the financial barriers and increase adherence

The Result- Healthier Employees, Greater Productivity, and Lower Healthcare Costs - a win-win